

# 2023 Girl Scout Cookie Program Updates

*For the 2023 Cookie Program, Girl Scouts of Western Washington (GSWW) will change the price of Girl Scout Cookies.*

Our shared mission at GSWW is to build Girl Scouts of courage, confidence, and character who make the world a better place. The Girl Scout Cookie Program supports this mission by providing hands-on experience in setting goals, making business decisions, and embarking on a lifelong leadership journey. The cookie program provides an essential way for Girl Scouts to cover the cost of their participation in the Girl Scout experience. Many Girl Scouts use cookie revenue to pay for membership dues, activity costs, and program supplies. The price change is necessary to keep up with economic price increases, balance our budget, and continue to serve youth and volunteers in all areas of our council.

For the 2023 Girl Scout Cookie Program, GSWW will be increasing the cost of core cookies by \$1/package, while keeping the cost of specialty cookies (S'mores and Toffee-tastics) at \$6/box. The increase in the cost of core cookies means that **all varieties of cookies will be sold for \$6 per package.**

We fully understand that this decision impacts all cookie sellers and volunteers and that the news may be met with mixed emotions. Below, we've prepared answers to offer insight into how the decision was made, how a price change will affect Girl Scouts of Western Washington moving forward, and what we're doing to support the success of each Girl Scout, troop, and volunteer.

We recognize that this document is not comprehensive. Girl Scouts and their families, troop leaders, and service unit managers will continue to receive more detailed information about the sale as we get closer to kick off. We know that topics like credit card use, supply chain availability, and initial order details are all top of mind—and while this document focuses only on our pricing changes for next year's sale, please rest assured that our communications that follow will address these topics and more.

# Cookie Price Change FAQ

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## **Q. How is GSWW investing back in troops and cookie sellers?**

**A:** Just as costs for council operations have increased, we know that troops are also facing higher costs for supplies and activities. Here are some of the ways we'll be supporting our members:

- In 2023, we are increasing the base troop proceeds per package:
  - The base proceeds per box will increase by \$.10 from \$.65 to \$.75.
  - We will retain our Early Bird proceed bonus of \$.15 per package for registered troops that renewed their memberships early.
  - We have added an additional tier to the Per Girl Scout Average (PGA in eBudde) sales levels to provide opportunity for additional proceeds:
    - Troops that average at least 285 PGA will earn an additional \$.05 per package.
    - Troops that average at least 350 PGA will earn an additional \$.10 per package.
  - These changes bring proceeds up to a possible \$1 per package. On average, the higher proceeds will result in \$30 to \$50 more in troop proceeds for EACH seller in a troop.

- Credit card processing fees: For the 2023 Cookie Program, we are expanding Digital Cookie to take advantage of the “in-hand” option that allows credit card processing of all door-to-door and booth sales. This option will allow troops to pass on 100% of credit card fees processed through Digital Cookie to GSWW. A 3% credit card fee per \$6 package translates to \$0.18 per package and represents a \$400,000+ investment in supporting cookie sellers in the digital economy.
- Helping Girl Scouts reach more customers: GSWW will continue to support local sellers by:
  - Developing and sharing a Cookie Seller Toolkit that includes promotional materials (such as flyers, door hangers, and social media graphics) to amplify their outreach during the sale, in addition to tips and tricks for achieving their entrepreneurial goals.
  - Offering programs that teach Girl Scouts entrepreneurial skills and business know-how, such as Digital Cookie Marketing Magic, where Girl Scouts make their own cookie commercial to use as a promotional tool during the sale.
  - Connecting cookie sellers with customers in their area via the Cookie Connector tool on our website.
  - Building awareness of and excitement around the Girl Scout Cookie Program by partnering with businesses and organizations in the community to amplify sale dates, information on how to find cookies, and the impact of supporting local Girl Scouts through cookie purchases.
  - Investing in the success of local Girl Scout Sellers through digital advertising on social media to encourage demand for cookie purchases and offer instructions for purchasing cookies from local sellers.
  - Providing Girl Scouts with answers to potential customer questions: While it has been six years since we last increased the price of our core cookie varieties, we understand that some customers may have questions. We will provide brief talking points and infographics to help cookie sellers explain how cookie sales support both individual troops and Girl Scouts in Western Washington as a whole. We probably won’t ever compete with Costco or Walmart on price, but Girl Scout Cookies are more than treats. Our cookies (and cookie customers) support camp and outdoor experiences, volunteer training, and opportunities for thousands of Girl Scouts to make friends, serve our communities, and become leaders.

**Q: Why doesn’t GSWW cut costs instead of changing the price of cookies?**

**A:** In an effort to cut costs and keep our operating budget as low as possible, while still meeting the needs of our community and supporting our members, we have had to make difficult decisions in order to maintain continuous operations. We have already reduced our staff, initially by 50% at the start of the pandemic, and have closed 3 offices. Today we are still

operating with 37% less staff than our pre-pandemic staffing levels. Further expense cuts would require a significant reduction in both member services and fixed costs, including sales of our camp properties.

### **Q: Why did GSWW decide to change the price of cookies?**

**A:** It's been six years since our last price increase, and as consumers know, costs go up every year—and particularly this year as higher fuel and commodity costs impact pricing across industries.

- The cost of running our organization and its properties, including insurance, rent, and maintaining highly experienced and dedicated employees—as well as the costs to run the cookie program, including per package cost of the cookies and the storage and movement of packages—have all increased since 2017. The price change is necessary to keep up with economic price increases, balance our budget, and continue to serve youth and volunteers in all areas of our council.
- Girl Scout membership fees are paid directly to Girl Scouts of the USA, our parent organization. Revenue from the cookie program, however, is paid to our local council. Increasing the cost of our cookies allows us to raise more money that can be reinvested back into our community through the local programs we offer to youth in Western Washington.
- Many youth and volunteers need financial assistance to participate in Girl Scouts, and the cookie program is one way we fund that support. It is in our mission to remove barriers to local Girl Scouts access to camp, programming, and other opportunities that build life skills, and raising the price of our cookies will help ensure that we can continue to eliminate barriers to participation for local youth. GSWW offers one of the most robust financial assistance programs of councils across the country, and we are proud of our commitment to keeping Girl Scout programming accessible for our local members through funding sources such as the cookie sale.
- **We believe customers realize that when they buy Girl Scout Cookies, they are doing much more than purchasing a treat;** they are inspiring generations of entrepreneurs and promoting siblinghood, stewardship, and social impact, all while investing in strong leaders for a better tomorrow. As a 501(c)3 non-profit organization, we rely on charitable contributions from our community to sustain the programming we offer to our members. An increase in the cost of our cookies is one tangible way that we can call on our community to increase their financial support toward our organization's mission.
- The pandemic took a significant toll on GSWW's 2021 and 2022 Cookie Programs. The annual Girl Scout Cookie sale is our largest source of funding at about 80% of our budget during a typical year. Closure of camps and limited in-person activities further reduced revenue in 2020 and 2021. These funds are vital to supporting remarkable Girl Scout programs including camps, volunteer tools and support, and core business operations.

- **Beginning in 2018, GSWW experienced an unprecedented decline in youth membership that was amplified in 2021 by the COVID-19 pandemic** (30% decrease from the previous year). While this decrease in participation was not uncommon for other youth programs during the pandemic, it did impact participation in the Girl Scout Cookie Program (which was down by 44% from the previous year). This decrease translated into a loss of over \$6.7 million in net revenue that supports GSWW's properties, programs, services, and ability to invest in our communities. While 2022 signaled the beginning of our recovery and youth membership regrowth, our revenue from the cookie program remained down by \$5.5 million. The decline in youth membership and decrease in cookie program participation during the pandemic prompted a drastic and immediate impact on our bottom line. Our council's regrowth, however, will happen over time, and in order to continue providing access to year-round programming for our members we need our community to support us through this period of regrowth.
- GSWW received Paycheck Protection Program (PPP) loans from the US Government in 2020 and 2021, which were vital for the organization's financial stability during the pandemic; however, moving forward, PPP funds will no longer be available and GSWW must find other means to regain our financial sustainability.
- Each year, GSWW's Board approves a budget based on membership forecasts, program plans, and expense and revenue estimates, including estimates about the Cookie Program. **The price change is necessary to make progress toward balancing our budget** in our post-pandemic recovery and ensuring our capacity to continue to serve Girl Scouts and volunteers in all areas of our council.

**Q: When was the last time cookie prices were raised and what was the impact on troop sales?**

**A:** This is the first price increase for core varieties in six years—prices were last increased in 2017. We understand that price increases may impact our cookie sellers and their communities to varying degrees, and we do not take any price change lightly. However, previous price increases have not demonstrated a severe negative impact on our cookie sellers' success. The last time cookie prices were increased in 2017, Girl Scout Sellers did not experience a reduction in overall sales. We feel confident about the public's continued support of Girl Scouts as we implement this price change for the 2023 Cookie Season.

**Q: Did GSWW listen to the perspectives of local members before making the decision to charge \$6/package for cookies in 2023?**

**A:** Membership voices were included in program and service decisions that guided the 2023 budget process informing funding needs—including keeping our camps open and increasing in-person programs and services. GSWW leadership and the board strongly believe that the price change is critical to ensure financial stability of the organization; as an operational business decision, members were not directly involved.

### Q: Are other Girl Scout councils also changing their prices?

A: Yes. Girl Scouts of Northern California changed their cookie price to \$6 for all varieties in 2022 and several councils in our region and across the country are currently in the process of reviewing and changing their pricing for the 2023 Cookie Program.

### Q: Will a price change disproportionately impact Girl Scouts who live in low-income communities?

A: We heard this question before and looked at the data.

- Girl Scouts who live in low-income communities have participated in the Cookie Program, including Digital Cookie, at the same rate as other sellers.
- Looking at the program experience of Girl Scouts who live in low-income communities compared to all Girl Scouts who participated in the 2022 program, those who live in low-income communities sold more packages per seller than the council average.
- On average, customers who live in low-income communities (based on the zip code information they provided when they purchased cookies online via Digital Cookie) purchased the same volume of cookies as all customers who made their purchases on Digital Cookie.

### Q: What do cookies pay for?

A: Cookies support a significant portion of GSWW’s budget—about 80% during a typical year and even more through the pandemic, having lost other revenue generating activities.

